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ABSTRACT

This article considers the current trend of community colleges to aggressively seek outside funding, above and beyond the contributions of federal and state governments. Over the past twenty years, student and market demand has outpaced the willingness as well as the ability of federal and state governments to contribute to community college funding. Public colleges in the United States now raise more extramural funds than do private colleges. Two-year colleges are the fastest growing sector of higher education yet they receive far less federal and state support than do four-year colleges and universities. Academic entrepreneurship is, for the most part, a recent development, hence very little conceptual literature exists on the topic as it applies to the United States. The paper refers to one such recent study of European universities which can be applied to U.S. institutions. The study, by Burton Clark, identifies five elements common among successful entrepreneurial institutions: (1) a strengthened steering core; (2) an expanded developmental periphery; (3) a diversified funding base; (4) a stimulated academic heartland; and (5) an integrated entrepreneurial culture. The author cites Delaware Technical and Community College as an example of a college that successfully integrates Clark's five entrepreneurial elements. The article concludes that the "good old days" of publicly supported higher education are not likely to return. (NB)

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Community Colleges: Innovators of Entrepreneurial Spirit

By Shannon K. Faris

Increased student demand, rapid technological advancement, and decreased federal and state support are making it necessary for institutions of higher education to seek alternative sources of revenue. (Buchbinder, 1993, Michael & Holdaway, 1992). While this trend is demanding system-wide change, community colleges may already be in a position to not only adapt, but take advantage of this dramatically changing terrain.

What Once was is no Longer

In the past, unrestricted block grants from the government allowed colleges and universities relative autonomy in providing the service of education (Slaughter & Leslie, 1997 p. 86). In a trend that began 20 years ago, student and market demand has come to outpace the willingness and ability of state and federal governments to contribute as before. Thus, in addition to providing the traditional function of educating, administrators, faculty, and even students are required to be innovative participants in the fight to secure the survival of their institutions. This is a reflection of the fact that public colleges in the United States raise more extramural funds than do private colleges (Ryan, 1989).

A side-effect of this trend has been the shift toward a market-like orientation (Slaughter & Leslie p. 8). In the quest for new sources of revenue, institutions are required to become more

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responsive to the outside environment (p. 65). In seeking new sources of support, colleges and universities must also be open to the influences of these new sources and methods.

Community Colleges

Community colleges have the advantage of capitalizing on market and demand driven activities because, unlike four year colleges and universities, they have a history of ready adaptation (Levin, 1998). Even though they are the fastest growing sector of higher education, two-year institutions receive far less federal and state support than do four year colleges and universities. The community college response has been to incorporate the ability to innovate and change on an institution-wide level-skills not readily associated with higher education in the United States. Academic entrepreneurship is a term used to describe one type of response to these demands. While academic entrepreneurship takes on various meanings, all definitions point toward the activity of taking and creating opportunities within an institutional context that lead toward the generation of monetary profit for the institution and its participants (Kintzer, 1996, Kotula, 1989). Even though some schools such as community colleges have acted in an entrepreneurial manner throughout their institutional histories, academic entrepreneurship and terms related to it have emerged fairly recently. As a result, very little conceptual literature exists on the topic as it applies to the United States. However, in a recent study of European universities, Burton Clark (1998) constructed a model of institutional entrepreneurship that can be readily applied to U.S. institutions.

Clark's Model of Entrepreneurial Institutions

In a cross-national study of five highly successful European Universities, Burton Clark identified elements common among successful entrepreneurial institutions. Clark based his examination on an 'imbalance thesis', that postulates a demand-response imbalance in the environment-university relationship whereby the demands on universities outrun their capacity to

respond. The imbalance results as a combination of more and different types of students seeking access, more segments of the labor force demanding university education, increased educational accountability, and the proliferation of information.

Clark's analysis revealed five elements necessary for successful entrepreneurial activity in institutions of higher education: a strengthened managerial core; an enhanced developmental periphery; a diversified funding base; a stimulated academic heartland, and an entrepreneurial culture. While each path is distinct, its interactions with each of the other elements is necessary for the creation of an entrepreneurial institution.

Five Entrepreneurial Elements

1. Strengthened Steering Core

Institutions with a strengthened steering core possess a heightened sense of autonomy. These institutions are centralized, decentralized or any gradient thereof. The key to a strengthened core lies in an institution's adaptability combined with an administrative ability to fuse new managerial values with traditional academic values such that all levels of the institution work to update the academic culture (p. 5).

2. Expanded Developmental Periphery

Institutions with expanded developmental peripheries reach across normal academic-industry boundaries to form mutually beneficial relationships. Resulting partnerships create a variety of expanded functions such as knowledge transfer, industrial contact, intellectual property development, continuing education, as well as fundraising and alumni affairs (Clark, p.7). In order for these institutions to preserve their educational integrity, Clark maintains that outreach in the context of a collective institutional capacity to make choices based on educational values is essential.

3. Diversified Funding Base

Institutions with a diversified funding base spread their revenue sources across government, industry, and private sources. If one funding source is weakened, the effects of the loss are lessened by multiple income sources.

4. Stimulated Academic Heartland

This refers to the core academic functions of the institution. Traditional values are most deeply rooted in academic departments (Clark, p.6). In order for the institution to fully engage in the entrepreneurial process, every department must accept and engage in the process. A stimulated academic heartland maintains integral traditional values and practices while simultaneously integrating newer managerial and market-related practices.

5. Integrated Entrepreneurial Culture

The first four elements combine to create a culture that embraces change and sustains the fundamental values of the institution. While the spirit of innovation and enterprise may begin with one department, an entrepreneurial institution facilitates the development of a culture that embraces the idea on an institutional level.

Good Practice in Community Colleges

While Clark's research elegantly identifies the elements necessary for an entrepreneurial institution, his model parallels practices some community colleges have employed all along. The majority of community colleges in the United States began industry-outreach, vocational training, and performance contracting as a response to financial needs identified at the beginning of this digest. However, as the ideas and practices have become an integral aspect of the institutional culture, the entrepreneurial spirit has spread as an innovative and cutting edge approach aimed at serving educational needs as reflected by client and market demands.

Entrepreneurial Spirit Embraced: An Example In Action

Delaware Technical and Community College is an example of the successful integration of Clark's five entrepreneurial elements. The institution identified the opportunity of taking the skills of a competent staff with specialized talents and using them to provide training for local businesses and industry. The college established an industrial training division in which the culture is flexible and client-oriented (Kotula, 1989). The division supports itself through generating its own business by responding directly to the varying needs of the marketplace. The center provides training for cutting edge industries such as laser technology, composite material, robotics, and biogenetics. Through aggressive industry outreach, the center is able to form relationships with local partners. Because it is completely self-sustaining, the type and way in which the center provides education reflects of the needs of the community. Revenues from the contracts not only support the center, but are used to maintain the institution's regular programs (Kotula, 1989).

Looking Ahead

The good old days of publicly supported higher education are not likely to return. However, some institutions such as Delaware Technical and Community College have taken advantage of the challenge. As the elements of Clark's model suggest, a new approach to higher education is emerging in which institutions embrace change, form closer relationships with their communities, and respond more rapidly to student and market demands. If creating and maintaining an entrepreneurial institution requires cultivating an institution-wide culture of academic and faculty support that promotes autonomy and change while having strong links to outside organizations that help to create various sources of revenue, then community colleges are the lead to follow.

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